LEGISLATIVE SERVICES AGENCY OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

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FISCAL IMPACT STATEMENT

LS 6089 NOTE PREPARED: Nov 1, 2002

BILL NUMBER: HB 1048 BILL AMENDED:

SUBJECT: Age 65 Resident Fishing License.

FIRST AUTHOR: Rep. Ulmer BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: GENERAL IMPACT: State & Local

 \underline{X} DEDICATED \underline{X} FEDERAL

Summary of Legislation: This bill requires a resident who is at least 65 years of age and who wishes to fish to obtain a license, but at a reduced fee. The bill provides for a reduced penalty for residents who are at least 65 years of age and fish without a valid license.

Effective Date: July 1, 2003.

<u>Summary of Net State Impact:</u> The fiscal impact of this bill could result in increased revenue for the Department of Natural Resources by approximately \$968,110.

<u>Explanation of State Expenditures:</u> The Department of Natural Resources may incur additional administrative expenses associated with issuing licenses to those 65 and over because those persons who fish without a license and are assessed a penalty may request an administrative hearing. The Natural Resources Commission should be able to absorb any additional administrative costs associated with this provision.

<u>Explanation of State Revenues:</u> This bill imposes a fee of \$2.75 for residents 65 or over who wish to obtain a license to fish. The \$2.75 rate is intended to cover the administrative costs of issuing the license.

The U.S. Census indicates for the year 2000 that approximately 12.4%, or 753,980, of Indiana's 6,080,485 residents are 65 or over. Approximately 3,751,660 are between the ages of 18 and 64, roughly the population that would be required to obtain a license. The Division of Fish and Wildlife of the Department of Natural Resources (DNR) reports that based on FY 2000 data approximately 550,000 residents of the approximately 3,751,660 individuals within the required age range purchased a license to fish. The 550,000 that obtained

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a license represents approximately 15% of the total population. If the same percentage of residents 65 or over obtain fishing licenses, 113,097 individuals (753,980 * 0.15) would be required to purchase a license at a charge of \$2.75. The increase in revenue to the state is estimated at \$311,016 (113,097 * \$2.75).

Increase in Federal Revenue from the Sale of Fishing Licenses. The state received \$5.81 from the Federal Sport Fish Restoration Funds in FY 2000 for each fishing license sold. (The federal reimbursement rate per license fluctuates from year to year.) Using the FY 2000 reimbursement rate, estimated federal revenue that would result from assessing the fee would equal \$657,094 (113,097 * \$5.81).

The total annual revenue from the fee is estimated at \$968,110 (\$311,016 + \$657,0934).

Revenues collected from fishing license fees are deposited in the Fish and Wildlife Fund. The operating budgets of the DNR's Division of Fish and Wildlife and the Division of Law Enforcement are funded through the Fish and Wildlife Fund.

The bill also provides for a reduced penalty of \$7.75 for a person 65 or over who fishes without a license. Penalties collected would be deposited in the State General Fund. The impact of this provision would depend on the number of violators who are assessed a penalty.

Background: Currently, an individual between the ages of 17 and 64 must obtain a fishing license with the following exemptions:

- Indiana residents 65 years of age or older. (Should carry a driver's license or other identification to verify age and residency.)
- Resident and non-resident anglers under the age of 17.
- Residents who are legally blind.
- Residents of a state-owned mental rehabilitation facility.
- Residents of any licensed health care facility in Indiana taking part in a supervised fishing activity sponsored by the facility.
- A resident with a developmental disability who is fishing with a person who holds a fishing license.
- A resident who fishes during a free sport fishing day.
- Fishing a private pond does not require a license. However, the angler must have permission from the property owner to fish.
- Residents of Indiana who are engaged in full-time military service may fish without a license while on approved military leave. However, the angler must carry leave orders and a valid Indiana driver's license or voter registration card. Non-resident military personnel stationed within Indiana must obtain a resident license to fish or hunt in Indiana.

Explanation of Local Expenditures:

Explanation of Local Revenues: County clerks that sell licenses may be entitled to assess and retain \$0.25 for each license sold. The increase in revenue would depend on the number of licenses sold by the clerks. Of the 92 counties, 13 sell licenses.

State Agencies Affected: Department of Natural Resources and the Natural Resources Commission.

<u>Local Agencies Affected:</u> Counties.

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Information Sources: Dan Mathis, Greg McCollam, and Sheila Gamble, DNR, (317) 232-36904; http://www.stats.indiana.edu/profiles/pr18000.html; http://www.in.gov/dnr/fishwild/licenses/licfeeinfo.htm; Linda Grass, Indiana Association of Clerks of the Circuit Court.

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